

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

COMPLAINANT,

V.

**Robert A. Hoffmann
CRD No. 5291155**

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 20080147395**

COMPLAINT

The Department of Enforcement alleges:

RESPONDENT & JURISDICTION

1. In January 2007, Respondent Robert A. Hoffmann ("Respondent") became registered with Chase Investment Services Corporation ("Chase" or the "Firm") as a result of his employment as a personal banker with the Firm's affiliate JP Morgan Chase, Inc. ("Chase Bank"). In November 2007, Respondent became a Branch Manager at Chase Bank's branch office located at 6315 South Higley Road, Gilbert, Arizona (the "Branch Office Address"). On August 28, 2008, Chase filed a Form U5 reporting that Chase Bank had terminated Respondent's employment on August 6, 2008. Since that time, Respondent has not been associated with any other FINRA member.

2. Although Respondent is not currently associated with a FINRA member, he remains subject to the jurisdiction of FINRA pursuant to Article V, Section 4, of the FINRA By-Laws in that the misconduct alleged occurred while Respondent was associated with a member and a complaint was filed within two years following Respondent's registration termination.

000067139 2010

OVERVIEW

3. Respondent wrongfully converted customer funds from the Chase Bank checking accounts of two customers, improperly signed the names of three customers on six Chase Bank signature cards and failed to fully cooperate with FINRA's investigation.

FIRST CAUSE OF ACTION

Conversion of Funds

(FINRA Conduct Rule 2110)

4. The Department realleges and incorporates by reference paragraphs 1-2 above.

5. From May 2008 through July 2008, Respondent converted funds from the Chase Bank checking accounts of two customers.

The AN Account

6. On May 22, 2008, a signature card was completed for a Chase Bank checking account assigned to customer AN (the "AN Account"). The AN Account was funded with several referral bonuses totaling \$200, which were paid by Chase Bank.¹ In between June 6, 2008 and July 7, 2008, \$1,450 in overdraft protection was transferred to the AN Account from an existing Chase Bank credit card previously issued to AN.

7. According to Chase Bank records, on June 10, 2008 at 12:56 p.m., a \$500 withdrawal was made from the AN Account using the drive-through automated teller machine ("ATM") at the Branch Office Address.

¹ Chase Bank awarded referral bonuses to any existing customer that referred a new client to Chase Bank. Referring retail customers were given \$25 for every individual account opened from a referral. For every business account opened from a referral, the referring customer received \$50.

8. A photograph taken with a Chase Bank digital video recording device shows the Respondent making a withdrawal from the same drive-through ATM at the Branch Office Address on the same date and time as the \$500 withdrawal from the AN Account.

9. Neither AN nor Chase Bank gave Respondent permission or authority to withdraw \$500 from the AN Account on June 10, 2008.

The JL Account

10. On May 3, 2008, a signature card was completed for a Chase Bank checking account assigned to customer JL (the "JL Account"). In addition to the checking account opened in May 2008, a credit card was opened in JL's name and linked to the JL Account for overdraft protection purposes. The ATM/debit card associated with the JL Account was sent to the attention of the Respondent at the Branch Office Address.

11. According to Chase Bank ATM records, on July 25, 2008, at 1:15 p.m., a \$400 withdrawal was made from the JL Account using the drive through ATM located at the Branch Office Address.

12. A photograph taken with a Chase Bank digital video recording device shows the Respondent making a withdrawal from the same ATM at the Branch Office Address on the same date and time as the \$400 withdrawal from the JL Account.

13. Chase Bank did not give Respondent permission or authority to withdraw the \$400 taken from JL's account on July 25, 2008.

14. As a result of this conduct, Respondent violated FINRA Procedural Rule 8210 and Conduct Rule 2110 by converting funds from the AN Account and the JL Account.

SECOND CAUSE OF ACTION

Signing Customers' Names on Account Signature Cards (FINRA Conduct Rule 2110)

15. The Department realleges and incorporates by reference paragraphs 1-2 above.
16. In June 2008 and July 2008, Respondent signed three customer names to six banking signature cards in order to reactivate the customers' inactive checking accounts at Chase Bank.

Customer SC

17. Customer SC opened a Chase Bank checking account in October 2006 and signed a signature card dated October 14, 2006.
18. In June 2008, SC's account had become dormant due to inactivity.
19. On June 28, 2008, an additional signature card was placed on file for SC with a new checking account number.
20. Respondent signed SC's name on this signature card in order to reactivate the account, even though he did not have permission from SC or Chase Bank to do so.
21. The checking account opened with the June 28, 2008 signature card bearing SC's name was again designated as dormant in July 2008 since it was not used within 30 days of having been reactivated.
22. On July 18, 2008, Respondent signed SC's name on another signature card and submitted it to Chase Bank in order to reactivate SC's dormant checking account.
23. Respondent did not have permission or authority from SC or Chase Bank to sign SC's name on this signature card.

Customer HC

24. Customer HC opened a Chase Bank checking account in December 2006 and signed a signature card dated December 23, 2006.

25. In June 2008, HC's account had become dormant due to inactivity.

26. On June 28, 2008, an additional signature card was placed on file for HC with a new checking account number.

27. Respondent signed HC's name on this signature card in order to reactivate the account even though he did not have permission or authority from HC or Chase Bank to do so.

28. The HC checking account opened with the June 28, 2008 signature card bearing HC's name was again designated as dormant in July 2008 since it was not used within 30 days of being reactivated.

29. On July 18, 2008, Respondent signed HC's name on another signature card and submitted it to Chase Bank in order to reactivate the account.

30. Respondent did not have permission or authority from HC or Chase Bank to sign HC's name on this signature card.

Customer DO

31. Customer DO opened a Chase Bank checking account in December 2006 and signed a signature card dated December 23, 2006.

32. In June 2008, his account had become dormant.

33. On June 28, 2008, an additional signature card was placed on file for DO with a new checking account number.

34. Respondent signed DO's name on this signature card in order to reactivate the account even though he did not have permission or authority from DO or Chase Bank to do so.

35. The account opened with the June 2008 signature card bearing DO's name was again designated as dormant in July 2008 since it was not used within 30 days of being reactivated.

36. On July 18, 2008, Respondent signed DO's name on another signature card and submitted it to Chase Bank

37. Respondent did not have permission or authority from DO or Chase Bank to sign DO's name on this signature card.

38. Based upon this conduct, Respondent violated FINRA Conduct Rule 2110 by improperly signing signature cards for SC, HC and DO and submitting those signature cards to Chase Bank.

THIRD CAUSE OF ACTION

Failing to Provide Requested Documents

(FINRA Procedural Rule 8210 and Conduct Rule 2010)

39. The Department realleges and incorporates by reference paragraphs 1-2 above.

40. On several occasions, Respondent failed to provide certain documents and information requested pursuant to FINRA Rule 8210.

41. Pursuant to an Enforcement request, Respondent appeared and provided sworn, on-the-record testimony in connection with this matter on November 12, 2009.

42. As a follow-up to that testimony, on November 23, 2009, Enforcement sent a letter to Respondent, requesting that, pursuant to FINRA Rule 8210, he provide account statements from May 2008 through July 2008 from all of his personal bank accounts held at any banking institution (the "Bank Account Statements"). The letter instructed Respondent to provide the requested information to Enforcement on or before December 4, 2009. The letter was sent via certified mail, return receipt requested, and first class mail to Respondent at his last

known residential address as reflected in the Central Registration Depository (the "CRD Address"), as well as a residential address Respondent provided to Enforcement during his OTR (the "Alternate Address"). Enforcement received the return receipts associated with the letters sent via certified mail to Respondent's CRD Address and the Alternate Address. The receipts were both signed "R. Hoffmann" and were not dated. The letters sent via first class mail were never returned to Enforcement. The letter was also sent to an email address Respondent provided to Enforcement. To date, Respondent has failed to provide the requested information.

43. On March 1, 2010, Enforcement sent a letter pursuant to FINRA Rule 8210 which renewed its previous written requests for Respondent's Bank Account Statements and also asked Respondent to provide all documentation relating to the PO Box Address. The letter instructed Respondent to provide the requested information to Enforcement on or before March 15, 2010. The letter was sent via first class mail, and certified mail, return receipt requested to the CRD Address and the Alternate Address. The letter was also sent to an email address Respondent provided to Enforcement. The letter sent via certified mail to the CRD Address was returned to Enforcement and marked "Return to Sender. Insufficient Address. Unable to Forward." The letter sent via certified mail to the Alternate Address was returned to Enforcement and marked "Unclaimed." The letters sent via first class mail were not returned to Enforcement. On March 1, 2010, Respondent replied to Enforcement via email and requested that Enforcement stop sending correspondence to his CRD Address because he no longer resides there. Although Respondent acknowledged receipt of Enforcement's email correspondence, he failed to provide the requested information to Enforcement.

44. Accordingly, Respondent violated FINRA Procedural Rule 8210 and Conduct Rule 2010 by failing to fully provide requested documents and information.

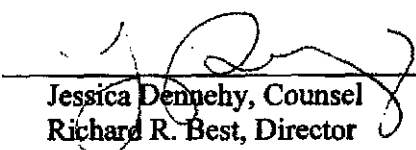
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions and restitution, be imposed; and
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Dated: 4/29/2010



Jessica Dennehy, Counsel
Richard R. Best, Director
Suzanne Elovic, Chief Counsel
FINRA Department of Enforcement
14 Wall Street, 14th Floor
New York, NY 10005
T: (646) 315-7391
F: (202) 689-3464
e-mail: Jessica.Dennehy@finra.org

To: Robert Hoffmann



Robert A. Hoffmann

